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ABSTRACT

Recent state efforts reflect a growing commitment to building state child care systems, but increasing child care capacity while simultaneously designing and expanding good quality, new child care systems remains a challenge. On November 17, 1997, the Child Care Action Campaign (CCAC) conducted an audioconference that focused on how Wisconsin, North Carolina, and New Jersey are using federal and state funds and private funding to improve the quality of subsidized child care in both formal and informal settings. The presenters were David Edie, director of the Wisconsin Office of Child Care; Sue Russell, executive direction of Day Care Services Association and the TEACH Early Childhood Project; and Edna Ranck, child care coordinator and the New Jersey Department of Human Services. This issue brief summarizes information from the conference presentations, which addressed the following questions: (1) "How does your state define quality and what methods are being used to improve it?"; and (2) "Which of your successful strategies should other states consider?" (EV)

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ISSUE BRIEF

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Strategies to Improve Quality in Subsidized Child Care

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Overview

A recent American Public Welfare Association (APWA) report entitled "The Child Care Challenge: Leading the Way" found that states are spending more money than ever before to enhance services and are using the flexibility of the new block grant system to establish quality programs for clients moving from public assistance to work. State efforts reflect a growing commitment to building state child care systems. Yet the big challenge remains: to increase child care capacity while simultaneously designing and expanding good quality, new child care systems.

In 1997, states received $600 million in new federal allocations for child care, and a number of states increased their funding for child care. Yet, overall, state investments in quality improvements remain very modest. In light of recent findings about the impact of early care and education on brain development, these investments must increase dramatically to support children's development to their full potential. Quality improvement strategies in Wisconsin, North Carolina, New Jersey and other states provide guidance and incentives for building strong child care programs across America.

Twelve states have raised reimbursement rates to providers; some of these, like Mississippi and Oklahoma, will pay higher rates to accredited centers and those providing hard-to-find services. Montana will pay merit increases for providers to continue their training. Alaska has created a new child development associate credential for providers. Idaho cut its child-staff ratio from 12-to-one to six-to-one for children under 18 months of age. South Dakota's new child care training programs include one for family and friends who provide child care so a parent can participate in work or training.[1]

On November 17, 1997, CCAC conducted an audioconference that focused on how Wisconsin, North Carolina, and New Jersey are using federal and state quality money and private funding to improve the quality of subsidized child care in both formal and informal settings. The audioconference presenters were David Edie, Director, Wisconsin Office of Child Care; Sue Russell, Executive Director, Day Care Services Association and the TEACH Early Childhood® Project; and Edna Ranck, Child Care Coordinator, New Jersey Department of Human Services. Laurie Miller, Senior Program Associate at CCAC, moderated the conference. All presenters addressed the following questions: how does your state define quality and what methods are being used to improve it? Which of your successful strategies should other states consider?

Participants in the CCAC Audioconference

Presenters:

David Edie
Wisconsin Office of Child Care

Edna Ranck
New Jersey Department of Human Services

Sue Russell
Day Care Services Association
TEACH Early Childhood® Project

Moderator

Laurie Miller
Child Care Action Campaign

Issue Brief

Suzanne Reisman
Child Care Action Campaign

What Is Quality?

David Edie cautioned administrators and advocates to be careful not to define quality only in terms of formal programs. A definition of quality must apply to all settings, including one-on-one care. He urged that quality be defined in terms of the positive growth and development of children. Using this definition, it must be acknowledged that a wide range of child care settings can deliver good quality.

Sue Russell agreed that the emphasis should be on developmental goals and positive outcomes that help children reach their potential. Positive child outcomes are related to continuity of providers, as well as their education and training. Low turnover depends on a well-compensated work force.

Edna Ranck pointed out that administrators and advocates walk a fine line on the issue of training. They know training makes a big difference overall, but they often encounter individuals having little formal training who nonetheless provide good care. Thus, each setting needs to be looked at to see how well the provider relates to children, respects them, uses appropriate language, and provides stimulating activities. Ranck believes that many providers do not know they can provide care differently and are excited about learning new methods.

Wisconsin

As part of its welfare reform package, Wisconsin used federal and state funds to triple its overall budget for child care in Fiscal Year (FY) 1997 and eliminated all waiting lists for child care subsidies. Families with incomes below 165% of the federal poverty level are eligible for child care subsidies, and they remain in the subsidy system until their incomes rise to 200% of poverty.

Some $6 million of the total federal and state monies for child care were allocated to quality initiatives. Of this amount, over $1 million was invested in accreditation, which Wisconsin sees as key to quality improvement. Under this initiative, centers receive four-year grants to become accredited by the National Association for the Education of Young Children (NAEYC). Family child care providers receive four-year grants to meet accreditation standards of the National Association for Family Child Care (NAFCC) or the Wisconsin Early Childhood Accreditation program; or to earn a Child Development Associate Credential (CDA). One-on-one technical assistance is available to help providers complete the accreditation process, and a statewide registry keeps track of each provider's progress and advises the provider about the next steps to take to move up the career ladder.

Some of the $6 million is used for training staff; grants are also available to retain qualified staff. Training is also provided through mentoring programs for both center-based and family child care providers. These are seen as especially important for former welfare recipients who are entering child care as a career. Technical assistance on education and training opportunities is part of a statewide child care information clearinghouse through which providers can order videotapes and other materials.[2] The state's extensive training network includes technical colleges, the state university system with sites in 14 cities and towns, and training programs offered by child care resource referral agencies and provider associations.

To reinforce and sustain these investments in improving child care quality, Wisconsin will use four levels of reimbursement rates for programs serving families with child care subsidies. The levels are designed to encourage providers to become trained and centers to become accredited. The lowest rate is for family child care providers who are state certified as meeting health and safety standards but are untrained and unlicensed. These providers can move up to the second level (50% higher than the first) after completing 15 hours of training. The third level is for licensed centers and family child care homes and is set at the 75th percentile of market rate, based on annual county-by-county surveys. These annual market rate studies have resulted in yearly increases for providers; providers caring for children under age two receive a higher rate as an incentive to increase the supply of licensed care for infants and toddlers. The fourth level, 10% higher than the third, is for accredited programs.

Wisconsin's strong regulatory requirements also enhance quality. The state's Department of Health and Family Services added over 13 monitoring positions last year in order to inspect all child care settings receiving public funding twice a year and conduct criminal background checks on providers. Although two visits per program per year is the minimum standard, a large percentage of programs receive more frequent visits because they participate in the federal Child and Adult Care Food Program, which mandates regular inspections by food program sponsors.

Due to the combined impact of welfare reform and increased odd-hour employment for entry-level workers and loosening of registration requirements, there has been some increase in the use of informal care by untrained providers. Yet over 75% of Wisconsin children receiving subsidies are in licensed care; 20% are in certified care with a provider who has received some training; and only four to five percent receive informal care by provisionally certified, untrained providers.

North Carolina: The TEACH Early Childhood® Project

The TEACH (Teacher Education and Compensation Helps) Early Childhood® Project has been successful in increasing training and compensation for child care providers in order to improve quality and decrease turnover. Pioneered in North Carolina in 1990 as a public-private partnership under the auspices of the Day Care Services Association of Chapel Hill, TEACH responded to the quality crisis in child care: a poorly educated and poorly paid work force with over 40% turnover each year. TEACH provides caregivers—including administrators, teachers, assistants and family child care providers—with scholarships so they can earn the North Carolina Early Childhood or Family Childhood Credential, the Child Development Associate (CDA) credential, an associate or bachelor's degree in early childhood education, or to become a Model/Mentor Teacher. The program has expanded to five other states—Georgia, Illinois, Florida, New York, and Colorado—and its

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main elements were incorporated in President Clinton's January 1998 spending proposal on child care.

Four basic principles undergird TEACH's scholarship awards. The first principle is partnership in funding. Scholarship recipients, the child care programs that employ them, and TEACH share the costs of the program. This partnering sends the message that everyone shares the cost. Assuring a variety of funding sources also strengthens the program.

The second principle is to respect the diversity of the field. Scholarships go to caregivers in all types of settings: family child care homes; Head Start; religious, for-profit, and non-profit centers.

The third principle is utilization of the full array of existing institutions for education and training. Both the state's community college and university systems have agreements with the program.

The fourth principle is collaboration. A statewide advisory committee includes representatives of the state Division of Child Development and its Head Start collaboration project, the community college and university systems, child care providers, and the cooperative extension service.

TEACH scholarships provide between 50% to 80% of the cost for tuition and books for participants. Travel stipends and paid relief time are provided in some state models. Participants must complete a certain number of credit hours per contract period. Upon completing a contract, participants receive either a raise or a bonus. In return, participants agree to stay in their sponsoring child care program or in the field, depending on the model, for a stipulated period of time after completing their education. For example, upon completing a bachelor's degree, scholarship recipients agree to stay in their sponsoring center for one year.

TEACH began in 1990 with $23,100 from five different funding sources, including two United Ways and three foundations. Over time, the project has received funding from eight different foundations, the American Business Collaboration, and the federal Child Care and Development Block Grant (CCDBG). Since 1993, the North Carolina General Assembly has made direct allocations to TEACH; for FY 97 it provided $1.42 million, the yeoman's share of the program's annual budget.

The investment has been put to good use. About 5,000 child care providers throughout the state's 100 counties have participated. Half of them are employed in for-profit programs. While the vast majority are teachers, a large number of family child care providers and directors also participate. Family child care providers have been recruited through the state's registration process and through active, direct recruitment.

In 1996, TEACH participants completed over 14,000 credit hours, with teachers in the associate degree program averaging 18 credit hours apiece. TEACH has met its targets of compensation, cumulative raises, and bonuses. Yearly tracking has shown that individuals who entered

the TEACH program four years ago and earned an associate degree have increased their yearly earnings by 40%. This includes family child care providers, who receive their bonuses directly from TEACH. Turnover for these participants has dropped to under 10% a year. Providers who participate in TEACH are staying longer, creating a stable, well-trained staff, and increasing continuity for children.

TEACH's growth and success underscore the importance of collecting and using data, and tracking the results. TEACH data have documented program impact in particular areas and helped administrators advocate for resources and for improvements in the education and credentialing systems. For example, TEACH's close collaboration with the community college and university systems has resulted in better courses and training programs.

New Jersey

In spring 1997, New Jersey governor Christine Todd Whitman announced her early care and education initiative Bright Beginnings, which includes many programs to directly or indirectly impact the quality of child care in New Jersey. Bright Beginnings uses a mix of consumer education, facility improvement, state regulations, and provider training to increase the number of good quality child care programs. Funded at $8.5 million, Bright Beginnings includes:

- $400,000 for a statewide parent/consumer education campaign to emphasize the characteristics that parents should look for to select good quality child care for their children;
- $3.6 million for infant/toddler resource development;
- $1 million to expand infant/toddler care by providing grants to child care centers and community-based organizations to sponsor family child care networks and satellite child care homes and provide ongoing training to home-based providers; and for start-up costs for new infant/toddler centers to meet facility code requirements and make renovations to existing centers so they will meet infant/toddler licensing requirements; and $500,000 to renew certificates of registration for family child care homes developed under this initiative;
- $400,000 to establish the New Jersey Professional Development Center for Early Care and Education, which will award scholarships to persons seeking professional credentials or degrees in early childhood education and provide technical assistance to licensed child care centers, school age programs, and registered family child care providers to become accredited;
- $1 million to establish a guaranteed, low-interest revolving child care facility improvement loan program to support new construction and to renovate existing licensed child care centers;
- $300,000 for Pre-K Partners planning grants to assist in program

development by establishing early childhood community partnerships in 125 school districts to facilitate the effective and efficient delivery of good quality education services to low-income children and their families and to encourage cooperation and collaboration among early childhood programs in each district to avoid duplication of effort among public schools and other early childhood programs in the community;

- $1.3 million to increase the number of registered family child care homes.

Collaboration among the Department of Human Services, the Department of Education, and the Department of Health has set the stage for other quality initiatives and funding. The Department of Education set aside some $300 million for selected school districts to establish full-day kindergarten by the 2001-02 school year, and Pre-K programs for four year-olds and, depending on the availability of funding, three year-olds. The Department of Health is providing resources for special needs children and for children's health services. New Jersey's Department of Human Services is working to combine these initiatives so that increased Kindergarten and Pre-Kindergarten spaces, places for children with special needs, and better links to health care, will provide more quality child care slots for low-income children.

New Jersey's administration has also selected a single organization in each county to administer child care subsidies and provide resource and referral services so that eligible parents can access child care subsidies and find child care that is licensed, registered, or approved in a "one-stop shop."

Other quality initiatives include increasing the number of licensing inspections from one every three years to one each year. All child care providers receiving state subsidies, including relatives and friends, must be approved by the state. To receive approval, providers must pass a fire safety inspection by the Fire Department and adhere to staff-child ratio limits. An approved provider may care for children from a single family or up to two unrelated children under age three. To encourage new providers to get training, approved providers receive reimbursement at 60 percent of the rate for registered family child care providers. The state is making a concerted effort to reach out to informal providers in a way that respects parents' choices and is not seen as threatening to the provider. Through newsletters and relationships with resource and referral agencies, new providers are being made aware of quality issues and are encouraged to participate in training.

New Jersey currently has different rates for center-based care, registered family care, and approved homes. Rate increases will also be used as an incentive for child care providers to receive training and accreditation. Beginning in January 1998, programs accredited by NAEYC or NAFCC will receive a 5% increase, rising to 8% in July. The state plans to add school-aged accreditation to this incentive program as well. It is

hoped that increased rates will persuade more qualified people who were previously reluctant to provide care due to low rates to accept children receiving subsidies.

While increased rates may encourage some providers to become accredited, some programs have expressed concerns that accreditation is beyond their reach. The state is forming an ad hoc accreditation committee to identify the obstacles to accreditation and find ways to overcome them.

1. The APWA report can be obtained by calling 202-682-0100.

2. Tapes are available for sale by the University of Wisconsin. Call 608-262-7419.

About CCAC's Audioconferences on Child Care and Welfare Reform

Child Care Action Campaign (CCAC) is a national nonprofit advocacy organization whose goal is to improve the lives of children and their families by expanding the supply of good quality, affordable child care. Assisted by a panel of advisors in every state, CCAC's 1997 audioconference series on child care and welfare reform has convened policymakers, government officials, state administrators, and child care leaders and advocates across the nation. Through this series, CCAC has worked to get the message out that good quality child care is a crucial component of any welfare-to-work strategy, and to work with state leaders to ensure that low-income families have access to child care benefits.

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